

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, JANUARY 13, 2022 – 7:00 P.M.
VIRTUAL MEETING VIA ZOOM**

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/89241868073?pwd=eWRtbXgxZlQ0aTlyTjg3THhhanI4dz09>

Passcode: 554613

Or Telephone:

(301) 715 8592, (312) 626 6799, (646) 558 8656, (253) 215 8782, (346) 248 7799

Webinar ID: 892 4186 8073 | **Passcode:** 554613

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Corinne (Cory) Bourgeois
Deborah Cadwell
Janet Griggs
Matt Rucci
Kate Belleville, Alternate
John Bernier, Alternate
Maryann Casciano, Alternate

ABSENT

none

ALSO PRESENT

First Selectman Ed Chmielewski

CALL TO ORDER

Chairman Dickson called the meeting to order at 7:00 p.m.

RECOGNITION OF VISITORS:

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS: *none*

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: DECEMBER 9, 2021 BOARD OF FINANCE REGULAR MEETING

M/S/C: Bourgeois/Collins, to approve the December 9, 2021 Board of Finance Regular Meeting Minutes, with the following amendments:

Page 4, BOE/School IT Plan, Add final sentence:

The Board of Finance concluded that the implementation of the Plan should be decided upon by the either the First Selectman or Board of Selectmen with the Board of Education.

Page 8, Item 9(c), BOE Data Request, Last Sentence:

Chairman Dickson thanked Board Members Bernier, ~~Casciano~~, and Griggs for gathering, compiling, and submitting the information.

Discussion: None. Voice vote, 6-0, all in favor.

2. TREASURER'S REPORT
A. REVENUE SUMMARY
B. TRIAL BALANCE
C. FUND BALANCE
D. OTHER

Treasurer Pam Henry reviewed the *Balance Sheet* and *Budget vs. Actual* reports with the Board, stating that there were no unusual occurrences. She noted that the funds for Line Item 1100002, Investment Account (STIFF), which was previously received through *Advisor Central*, are now received directly from the State. The line item includes the Teachers' Retirement Benefits (TRB).

In response to Board Member Casciano who questioned the revenue received for Line Items 4-097, Miscellaneous, which are either over- or under-budgeted. Treasurer Henry explained that the line item is often used as a holding location for items that are awaiting a directive as to where they should be placed. She will investigate and provide the Board with the details. Line Item 072, Library Fees/Fines is, most likely, under-budgeted at this time as it includes the fees received from the Town of Bozrah, which have not yet been received.

Any additional questions or concerns may be directed to her during her office hours or via e-mail.

3. SELECTMAN'S REPORT

First Selectman Chmielewski wished everyone a Happy New Year and commented on a challenging, yet rewarding, month. He has attended the meetings of various boards and commissions and commended each of the dedicated members who continue to work hard for the community.

The Resident State Troopers will be hosting a Child Passenger Safety – Car Seat Check at the Salem Volunteer Fire Company on Saturday, February 5, 11:00 a.m. to 2:00 p.m. The Troopers coordinated a successful Holiday Toy Drive, participated in an Active Shooter Training session in Colchester, and Trooper Kevin Crosby has been accepted into the D.A.R.E. (Drug Abuse Resistance Education) Instructor School.

He is planning to work with Superintendent of Schools Brian Hendrickson on the BOE/School IT Plan in conjunction with the Town's IT needs, including the Town Hall, Library, Public Works, Emergency Management, and Fire Departments.

The number of positive COVID-19 cases has been hovering over 20%. He thanked the town's staff for their efforts and diligence in helping maintain the health and safety of their colleagues and the public they serve. The most recent reports indicate that 55 new positive cases were reported over the last two weeks with an average daily case rate of 188.9. 469 PCR (Point of Care) tests being issued. While the State failed to deliver the supplies on the originally scheduled day, they were surprised by a call that the town would be receiving approximately 270 At-Home Rapid Test Kits and Masks on New Year's Eve. These kits were delivered to the town's First Responders, Salem & Gardner Lake Volunteer Fire Companies, Ambulance crew, Emergency Services, Emergency Management, critical Town staff, Salem School, and the town's high-volume businesses, eateries, and daycare centers. The town received an additional delivery of At-Home Rapid Test Kits and Masks, which were distributed to the town's residents last Thursday, January 6. He commended Emergency Services Administrator/Emergency Management Director Mike Bednarz and his team for leading a successful distribution operation of the test kits and masks. The staff and newly-appointed members of the Emergency Management Agency were sworn in and constituted in time for the distribution of the test kits and masks.

Clerk Collins questioned the progress with the Board's suggestion for the Board of Selectmen to reach out to all of the town departments regarding the need to ensure that all computers support the new Windows Operating Platform which is expected to be released in five years. First Selectman Chmielewski stated that he plans to include this conversation as part of their global IT Plan for the Town and School and invited Board Member Rucci, who is experienced in the technology field, to be included in their discussions.

4. PUBLIC COMMENTS – none

5. AUDIT PRESENTATION

King, King & Associates, P.C., Partner Christopher King, CPA, CGMA, and Audit Lead Zoe J. Peak, presented the town's FY2021/22 Audit Report. The Audit is divided into three primary sections: The Annual Financial Statement; CT State Single (Grant Compliance) Audit, and; Board of Education EFS (Education Finance System) Procedures. Because the town did not receive over \$750,000.00 in Federal Funding, the Auditors did not conduct a Federal Single Audit.

Annual Financial Report

The town's General Fund Balance of \$4,890,063.00 (31.8%) exceeds the Government Finance Officers Association's (GFOA) recommended Fund Balance amount of 16.67% or two months of its annual revenues.

The town's Unassigned Fund Balance or Rainy-Day Fund of \$2,560,193.00 or 15.8% is within its adopted policy of maintaining an Unassigned Fund Balance of 15% to 20% of its budgeted expenditures.

A New Major Fund for the receipt of \$619,000.00 in ARPA (American Rescue Plan Act) Funds was created, as recommended. As of June 30, 2021, these funds were not yet allocated or expended. Because the town will be receiving less than \$10 million, a newly issued provision will allow the town to utilize the ARPA Funds for General Government operations, with the exception of such items as debt service payments and pension contributions.

The town had a net decrease of \$580,586.00 in its Fund Balance, which is below its anticipated use of \$900,000.00, to balance the budget. The town's Assigned Fund Balance for Capital items is \$1,765,468.00.

The Outstanding Bonds Payable and Annual Debt Service requirements are approximately \$450,000.00/year in principal and interest payments. The town's recent Advance Refunding of Bonds (refinancing) resulted in an economic gain of \$175,000.00.

The town's current Moody's Rating of Aa2 is the third-highest of seven ratings in the category.

The State contributed the full amount of \$914,741.00 for the town's Teachers Retirement Pension Liability. Discussions amongst the State Legislators regarding transferring part or all of the liability to municipalities continue. The State also contributed the full amount of \$22,076.00 for the town's Teachers Retirement OPEB (Other Postemployment Benefits) Liability.

Numerous GASB (Governmental Accounting Standards Board) pronouncements with their respective effective dates are stated in the Audit.

Extensive analytical work, including the town's trends over the years and in comparison to other towns, is conducted. The town's Outstanding Taxes Receivable balance of \$113,698.00 (roughly 0.92% of its levy) is considerably low. Other funds that were reviewed included the school's cafeteria funds, payroll, and building inspector permits and fees. The town's Unassigned Fund Balance vs. Long-Term Debt was compared to those of the towns of Lisbon, North Stonington, and Preston.

State Single Audit

The State Single Audit is a Grant Compliance Audit that reviews all of the funding the town receives from the State. Approximately \$3.1 million, \$2.7 million of which is ECS (Education Cost Sharing) and Excess Cost and \$200,000.00 is Town Aid Road, was received. No significant deficiencies, material weaknesses, or reports of non-compliance were reported.

Management Letter Findings

To continue strengthening their internal controls, the following recommendations were made and agreed to by the management:

Draft a policy to record the revenues and expenditures of the Town Clerk Restricted Funds to a Special Revenue Fund. The Funds include funds for capital improvement and historic preservation and are currently recorded in the town's General Fund.

The Treasurer will review and formally sign off on all bank reconciliations that are prepared by the consultant CPA.

Conclusion

In reference to a previous discussion during the Treasurer's Reports, he reported that the changes in revenue for conveyance taxes, building permits, library fines, and recreation fees are in line with other municipalities.

The town's audit was filed before the deadline date.

The Board Members thanked him for providing the Audit Presentation.

6. CAPITAL EXPENDITURE REVIEW AND ACTION ITEMS

Chairman Dickson reviewed the FY2022/23 Capital Plan, which includes the Bonded items (Principal & Interest), and current, proposed, and future Capital Plan items. The Capital requests totals \$2,592,105.00 – \$938,364.00 over the Auditor's recommended amount of 10% of the town's General Operating Costs. He noted that some of the items might qualify for use utilizing the town's ARPA Funds.

a. Salem Volunteer Fire Company (SVFCO)

SVFCO Chief Chip Weston informed the Board that, due to the pandemic, his travel plans have changed and he will be able to present the Fire Company's budget on February 10. The Fire Company is requesting the following Capital items for FY2022/23:

Reporting & Inventory Software \$ 12,000.00

The Department's current software is obsolete and will no longer be supported after 2022. The estimate was provided by ESO, which offers software products for EMS agencies, fire companies, and hospitals. The vendor has agreed to transfer over 25 years of data free of charge (estimated value of \$5,000.00-\$10,000.00). Recent discussions regarding coordinating the use of the software with the town's EMS (Emergency Management Services) and Gardner Lake Volunteer Fire Company (GLVFCO) have begun. He noted that the funds for the maintenance of their current software are currently included in the town's Public Safety budget (Department 240). The estimated cost for the software does not include its implementation for EMS and GLVFCO.

Warning Lights Replacement (Tanker 121) \$ 10,000.00

The request was removed.

Per the Board's request, the item has been moved to the Department's Line Item 5-222-618, SVFC Repair/Maintenance of Equipment.

SCBA and Spare Bottles \$ 8,505.00

The item may be moved to FY2023/24.

During a recent inventory of their equipment, the SCBA (Self-contained Breathing Apparatus) equipment will need to be replaced next fiscal year as they will have met their 25-year life expectancy, per the NFPA (National Fire Protection Association). The Fire Company has not applied for a grant to fund the equipment for several years. Funds must be allocated to receive the grant(s).

Firefighting Turnout Gear & Hose \$ 13,000.00

The item was reduced by \$1,000.00. Approximately \$4,000.00 was recently expended for hoses that required immediate replacement. A current review and inventory of their equipment indicate that additional gear and hose will need replacement as they have exceeded their 10-year life expectancy. The amount of gear and hose requiring replacement is unpredictable as it depends upon its use. At the request of Board Members Bourgeois and Collins, SVFCO Chief Weston will provide a list of the Fire Company's gear and hose and their respective ages and the number of past (5 years), current, and projected volunteers.

b. Gardner Lake Volunteer Fire Company (GLVFCO)

GLVFCO Chief Pete Silva presented the following Capital items for FY2022/23:

Firefighting Turnout Gear & Hose \$ 14,000.00

A list of the Fire Company's gear and hose and their respective ages and the number of past (5 years), current, and projected volunteers will be provided to the Board.

AED Replacement \$ 41,944.00

The item will cover the replacement for all of the town's AEDs (total 28), which are placed at various locations throughout the town. The current AEDs have exceeded their life expectancy of eight to ten years. GLVFCO Chief Silva will investigate the possibility of refurbishing, recycling, or repurposing the old AEDs.

c. Public Works

Public Works Director Donald Bourdeau, Jr., presented the following Capital items for FY2022/23:

Front End Loader \$ 100,000.00

The item was previously moved out and is now a priority item. The final cost of the item is unknown due to the rising cost of items. The item would go out to bid.

Over the Rail Mower \$ 160,000.00

The mower may be pushed out one year, at most.

The mower is used from April to October to mow the sides of the roads.

Small Snowplow Truck \$ 120,000.00

The item may be pushed out one year.

John Deere Gator \$ 20,000.00

Road Improvement \$ 442,244.00

The amount allocated for road improvements is accurate. One of the roads on the schedule for repaving is Skyline Drive. Due to the rising costs of oil-based products, the town will need to try to do more with less.

The Large Snowplow Truck #3, which is on the FY2023/24 Capital Plan, may be pushed out one year. Clerk Collins expressed his dismay with the untimely receipt of the request, which was not submitted on the given form and did not include any supporting documentation.

First Selectman Chmielewski thanked both Public Works Director Bourdeau and Foreman Tony Gallicchio for their hard work and efforts. Board Member Casciano expressed her appreciation to Public Works Director Bourdeau and commended the individual who mows the sides of the road.

d. First Selectman (General Government) – Emergency Services

In lieu of the First Selectman who was experiencing technical issues, Emergency Services Administrator/Emergency Management Director Bednarz presented the Capital Item requests:

Smartboards \$ 50,000.00

The Smartboards would serve the town's Emergency Operations Center, Command & Control Center, Emergency Management, and Emergency Services Departments. Based on the issues they experienced during their last major storm event, the item is much-needed to improve their technological capabilities and enhance communications between all of the town's emergency departments, fire companies, and the school. The Smartboards would be located at each of the Fire Companies, Salem School, Public Works, Library, Conference Room 1, and Conference Room 2. Currently, the whiteboard is located in Conference Room 2, the computer is located in an adjacent room, and their main source of communication is the cell phone. Photos are taken of the whiteboard and sent via cell phone to the relevant parties, some of whom may be located in areas that receive inadequate reception. The primary expense is \$36,721.00 for the Vibe Smartboards. The Smartboards and Vibe software, which can be installed on any device, would allow them to simultaneously interact with the system and communicate with each other from different locations in real-time. The user-friendly, versatile system will allow them to utilize third-party apps, including Microsoft, Zoom, and Google. The Smartboards are akin to computers and are stand-alone units with built-in wi-fi connections. The Vibe software will be provided free of charge.

Board Member Rucci questioned the company, Vibe, of which he is not aware. He also questioned whether there would be a need for an underlying platform, any ongoing licensing costs, video and audio requirements, and installation costs. Emergency

Services Administrator/Emergency Management Director Bednarz stated that the operating platform is android-based and third-party apps may be installed on each of the Smartboards. The town currently has a Zoom account and Google Suite, both of which could be utilized. There should be no additional licensing unless required by the app. The requested amount includes small mini-cameras that would be placed atop the units for virtual video conferences. A computer/laptop would be utilized as the hosting platform and the Smartboard would be added as a participant in the meeting. He does not foresee the need to purchase any additional computers. While he is not aware of any other organizations utilizing the Vibe system, he has witnessed the usage of other similar systems. Because the company is not providing any in-person demonstrations due to the pandemic, they are offering a 30-day trial period. Board Member Rucci suggested the possibility of creating testing criteria to ensure that the system will fulfill their key requirements. Emergency Services Administrator/Emergency Management Director Bednarz invited Board Member Rucci to lend his expertise and provide any recommendations during the trial period.

Board Member Bourgeois suggested the possibility of referring the item to the ARPA Committee for consideration.

Clerk Collins expressed his skepticism, stating that the State's Emergency Operating Center (EOC) pulls in all of their relevant personnel into one room for meetings; he did not feel such technology was necessary for such a small town as Salem. He also felt that the request was premature and counterintuitive, especially given the continuing relationship between the two Fire Companies. Emergency Services Administrator/Emergency Management Director Bednarz disagreed, stating that the system would allow them to immediately record and simultaneously communicate unexpected encounters and events with all of the town's agencies in real-time, streamlining the process and seamlessly expediting their responses. Clerk Collins also commented on the tardiness of the supporting material. Concerning the relationship between the Fire Companies, Emergency Services Administrator/Emergency Management Director Bednarz reported that their relationship is improving. He reiterated that the system would allow all of the town's agencies to communicate with each other in real-time and would be beneficial during times of emergency, allowing the town to adapt to any situation.

While agreeing with the tardiness of the supporting material, Board Member Casciano felt that the system would improve their communications during emergencies. She recommended the Board maintain an open mind.

SVFCO Deputy Chief James Rybak stated that the town is covered by only two full-time Firefighters and no responders during day and felt that such technology is not necessary for such a small town as Salem.

e. Board of Education (BOE)

BOE Chairman Sean Reith thanked the Board and introduced Superintendent Hendrickson. Superintendent Hendrickson expressed his honor to be attending the meeting and expressed his appreciation of and commended the townspeople for their welcoming demeanor. He, along with Director of Facilities Donald Bourdeau, Jr., presented their Capital Requests:

Replace Roof & A/C Units \$ 100,000.00

The item is included in the Bonding as was approved via the Town Meeting.

Emergency Shelter Generator \$ 318,755.00

The cost of the generator has significantly increased from its originally estimated amount of \$82,500.00. The original proposal was to replace the current generator which covers only certain areas of the school. The revised estimate includes the rewiring of the entire School and a generator that would power the entire School during power outages and would allow them to utilize the School as an emergency shelter for its residents. Currently, the Towns of East Lyme and Colchester have emergency shelters that are open to Salem residents; should there be a region- or state-wide emergency, those neighboring shelters would prioritize their residents. In addition, traveling to those shelters in such cases might prove prohibitive. The School also serves as the town's secondary Emergency Operations Center (EOC).

Clerk Collins questioned the need to power the entire School, including the administrative offices and classrooms, during times of emergency. Emergency Services Administrator/Emergency Management Director Bednarz stated the importance of the replacement generator to power the entire school, especially during times of emergency. He reported on a recent notice received from Eversource regarding the potential of unannounced load-shedding in Salem. In addition, due to the town's reliance on electricity, such events would increase the town's risk and vulnerability, especially in cases where power is necessary for medical equipment. He noted that the town's secondary EOC is located in the offices of the School, making that section of the School in need of power. Extending emergency power to the classrooms would become necessary should individuals and/or families require quarantining. Direction may derive from the Board of Selectmen regarding the emergency services needs of the town.

Corridor Lockers \$ 63,450.00

The school is experiencing growing issues with the lockers. The estimated cost of the lockers includes 15" lockers rather than the current 12" lockers, reducing the number of lockers by 52. It is hoped that, by offering larger lockers to the students, the longevity of the lockers would be increased. The reduction of lockers is based on the reducing enrollment projections; lockers are provided for children grades 6 to 8. Facilities Director Bourdeau designates the lockers as Priority Number 3 of their Capital Requests.

Front & Back Parking Lots

\$ 186,300.00

Facilities Director Bourdeau stated that the milling, striping, paving, and curbing of the parking lot is an urgent need, citing an individual who recently tripped and fell. The project has been pushed out for three (3) years. Based on its current condition, the parking lot will need to be milled and paved and would not qualify for crack-seal or pavement preservation. The cost might increase due to the rising fuel costs. While discussions regarding the possibility of installing portable parking areas with solar panels are continuing, an issue was raised regarding the need to provide access for emergency vehicles, trash trucks, and snowplows in the lower parking area. He considers the item a Priority Number 2.

Network Upgrades – Switches & Access Points

\$ 109,768.00

Superintendent Hendrickson stated that, because the switches are associated with the security of the network, the request is considered a priority. The item was reviewed by the Long-Term Planning Committee.

Recognizing the need for the upgrades, Clerk Collins wished to have the item realized as part of an overall upgrade for the town and requested the input and direction of the Board of Selectmen. He also proposed the possibility of utilizing the town's ARPA Funds to fund the project. Chairman Dickson added that the School also received ARPA Funds that might also be utilized. Superintendent Hendrickson was open to collaborating with the town and stressed the importance of addressing the issue with the switches as soon as possible. The network upgrades were to be based on the results of the IT Study that was proposed during the last budget season.

Fire Alarm Upgrade

\$ 78,444.00

The current system works by zone and is comprised of approximately 25-35 detectors. The proposed system is an addressable system that would indicate the exact location of the fire or alarm that is being sounded. The system has not been touched in parts of the school since 1993 or longer. The current system is still functioning, is serviceable, and meets code. It can be pushed out. Facilities Director Bourdeau estimated the item as a Priority Number 5 or 6.

Wall Padding (Multi-Purpose Room & Gymnasium)

\$ 26,700.00

The Velcro and the padding, themselves, are becoming worn. They are continuing to patch and repair them as best they can. The item may be pushed out for one more year.

School Zone Traffic Signals

\$ 16,490.00

They are awaiting a new price for the signals that will allow them to utilize some of the existing parts, reducing the cost. The electronics for the lights have aged, mice have eaten through the wiring, and the controls are constantly failing. The southbound lights are currently bypassed and the system is temporarily working, though not reliably. Facilities Director Bourdeau views the item as a Priority Number 1.

Board Member Bernier questioned whether the signals should be replaced before the next fiscal year.

Superintendent Hendrickson stated that he would inform the Long-Range Planning Committee and the BOE regarding the Board's request to prioritize their Capital requests. He also wished to acknowledge that there were several items on the list that were not considered a priority at this time and, as such, were not requested. He commended the Facilities Director on his knowledge and ongoing efforts. Clerk Collins emphasized the need for the information as soon as possible.

e. Recreation – *not present; will be placed on the Board's next meeting agenda*

Clerk Collins requested additional information regarding their Capital requests.

Board Member Bourgeois questioned the Capital request for the concession stand and if the field was being utilized at its previous capacity thereby justifying the request.

7. EMERGENCY SERVICES and BOE SUBCOMMITTEES

Emergency Services

Emergency Services Administrator Bednarz expressed his appreciation to the Board. He is looking forward to this coming year as they have many plans to improve the town's Emergency Services and Emergency Management departments.

BOE (Board Members Cadwell and Griggs)

Board Member Griggs reported that, under the Memorandum of Understanding (MOU) for the Early Retirement Notification Incentive, the maximum amount a teacher could receive is \$5,500.00 (186 sick days).

Board Member Cadwell reported that the Teacher Contract Negotiations went to Mediation and an agreement has been reached, but has not yet been ratified. The Superintendent's proposed budget was provided to the Board for review. The budget is a work in progress that will be presented to the BOE who will finalize the budget before it is presented to the Board. Variables include heating and transportation costs. Board Member Griggs added that the increase reflected in Superintendent's proposed budget is dramatically lower than usual (15%-16% vs. 4.81%).

Board Member Bourgeois thanked her for sending the Superintendent's budget and commented on the 3.4% increase of the salaries for the centralized office, which she finds concerning in relation to the school's salary increase of 2.9%.

Brief discussion ensued regarding the school enrollment numbers. Board Member Griggs noted that the special education student population is the average for the State. She also stated that the increase in staffing is primarily centered around special education, while the regular education staffing has been reduced.

Clerk Collins reported that the legislation has suspended the implementation of the new ECS (Educational Cost Sharing) Formula. As such, the town will most likely be receiving the same amount as the previous year. He reminded the Board that the town would continue receiving incremental cuts of approximately \$500,000.00 to \$600,000.00 in ECS Funding in the future. With this in mind, he suggested reconvening the working group committee, comprised of two members each from the Boards of Selectmen, Finance, and Education, to discuss and exchange ideas on how to provide a quality education in the face of significantly reduced funding from the State. Chairman Dickson concurred. Clerk Collins will contact BOE Chairman Reith to discuss reassembling the committee.

OLD BUSINESS

Discussion ensued regarding the receipt of the final Grand List, which will help the Board as they begin their budget discussions.

ADJOURNMENT

M/S/C: Collins/Rucci, to adjourn the meeting at 10:29 p.m. Discussion: None. Voice vote, 6-0, all in favor. Meeting adjourned.

Respectfully Submitted by:

Agnes T. Miyuki, Recording Secretary for the Town of Salem